VZCZCXYZ2054 PP RUEHWEB

DE RUEHMO #0560 0600555
ZNY CCCCC ZZH
P 290555Z FEB 08
FM AMEMBASSY MOSCOW
TO RUEHC/SECSTATE WASHDC PRIORITY 6868
INFO RUCNMER/MERCOSUR COLLECTIVE PRIORITY
RUEHXD/MOSCOW POLITICAL COLLECTIVE PRIORITY

CONFIDENTIAL MOSCOW 000560

SIPDIS

SIPDIS

E.O. 12958: DECL: 02/28/2018

TAGS: PREL CU RS

SUBJECT: RUSSIA DOES NOT EXPECT SIGNIFICANT CHANGE IN

RELATIONS WITH CUBA

Classified By: Political M/C Alice G. Wells for reasons 1.4 (b/d).

- 11. (C) In a February 28 meeting, MFA Counselor for Cuba and the Caribbean Victor Koronelli told us that Russia does not expect a significant change in bilateral relations with Cuba after the change in government. Koronelli said that the media had "overplayed the impact" of Casto's retirement and the succession of Raul Castro. The GOR believed the events were only a "formalization" of arrangements that have been in place since Castro's illness and, for the time being, a continuation of Cuban policy. Noting that Fidel is still the ideological and Community Party leader, and that Raul has said publicly that he would continue to consult with Castro, Koronelli told us the GOR believes Castro would remain the power behind the throne and the "banner of the ideal" in Cuba. Korenelli added that the GOR believed that the transfer of power from Fidel to Raul Castro was "timely" and meant to head off possible infighting after Castro's death.
- 12. (C) Russia "knows Raul well," and regards him as a legitimate successor, Koronelli noted, and expects any changes in bilateral political relations to be for the better. He said there were regular, high-level consultations between the two countries, pointing to the Cuban First Deputy Foreign Minister's visit to Moscow in December. He said that the March 5 meeting of the State Council in Cuba, where new portfolios would be distributed, could indicate areas of potential change, but that it was too early to predict the outcome.
- 13. (C) Korenelli said that relations between Russia and Cuba could not be compared to the relationship between Cuba and the USSR, noting that trade was only \$300 million last year, although it was set to increase in 2008. Russia gave Cuba \$355 million at the end of 2006 in energy credits, and Cuba was increasingly seen as a potential market by Russian businesses. He said the GOR -- and Russian companies -- were expecting modest steps from Raul Castro to open the Cuban economy, especially in regard to tourism and agriculture, but did not foresee a major shift towards a market economy. BURNS